

Risk Management

Performing business operations carries a variety of risks. The challenge is figuring out how to best predict and minimize these risks. Murata has established a risk management system that assumes various situations, enabling flexible responses to nearly every conceivable risk.

Risk Related to Market and Demand Fluctuations

In the electronics products market, demands fluctuate widely, and Murata's business performance is greatly affected by these fluctuations. Based on medium- and long-term forecasts of the market, Murata copes with sharp demand fluctuations by devising and implementing various measures. For instance, we swiftly arrange the required personnel and production equipment to enhance production capacities according to the growth in demand, and adjust the number of operating days according to fluctuations in demand.

Information Risk

We believe that the protection of any information by which an individual can be identified ("personal data") is a significant duty that all corporations must fulfill. Murata established its Privacy Policy in March 2005, and has stipulated the handling of personal data in its Privacy Policy Basic Rules. In response to the law in Japan protecting personal information that went into effect in April 2005, Murata continues trying hard to keep every employee informed about the handling of personal data, and to strengthen the personal data management system.

Items covered in the Privacy Policy

1. Proper use of personal data
2. Non-disclosure of personal data to third-parties
3. Inquiries of personal data
4. Secure management of personal data
5. Education and instruction to Directors and employees
6. Compliance with laws and other regulations regarding personal data
7. Continual improvement of our practices for protecting personal data

Natural Disaster Risks

To prepare for large-scale earthquakes, Murata has dispersed its production plants of important products to various areas in Japan and overseas. We have also improved the earthquake-resistance and earthquake-proof safety of our buildings and production facilities, installed

disaster-prevention materials and equipment, secured backup power sources, and taken various other measures. Murata has also set up a Disaster Prevention Committee and formed self-protection fire-fighting teams and other units. Other disaster prevention initiatives that are being carried out include designing countermeasures against disasters such as fire accidents, promoting daily activities concerning fire control and disaster prevention, and implementing fire-fighting exercises and emergency evacuation drills.

Emergency Drills

Every year, emergency drills are regularly conducted to prepare for the occurrence of an earthquake or fire, so that employees will know appropriate actions to take in the event of a disaster. For processes that could be greatly affected by a disaster, besides ordinary drills, special emergency drills are also carried out in accordance with the emergency response manual. In February 2005, a special drill organized by the disaster countermeasures office was implemented among Murata's Head Office, Nagaoka Plant, Yasu Plant and Yokaichi Plant. This drill was conducted under the assumption that a Nankai and Tonankai Earthquake had just occurred. The top management and heads of the relevant divisions of the Head Office and each plant provided demonstrations of checking the damage, making judgments, and giving instructions based on the decisions made.

Disaster Prevention System



Drill by disaster countermeasures office



Emergency drill

Environmental Risk

Concerning environmental accidents, Murata continues to work diligently on risk forecasting and prevention, facility preparation, and emergency measures. (For details, please refer to pages 29 and 30.)